The South African Consumer Through the Lens of a National Segmentation

- Introduction to Eighty20

- A National Segmentation

We help our clients use data to build brands that are loved by customers and profitable for business

Who we are

Eighty20 is a data-driven consumer analytics and research business providing a range of services and data products, including a detailed view of all 43 million adult South Africans representing over R4 trillion in earnings per annum.

Eighty20 uses its combination of strategy, analytics, research and development capabilities to help leading brands execute customer centric strategies that
are loved by customers and profitable for business.

Eighty20 provides market leading consumer strategies and data science that deliver measurable value quickly

1 *Understand who your customers are, what they look like and how they behave*

2 *Identify and size opportunities with your customers and 'not yet' customers*

3 *Execute quickly on customer strategies to achieve sustained growth*

- Introduction to Eighty20

- A National Segmentation

The Problem

- Businesses spend significant money on internal analysis and external market research

- Often the internal and external views of the customer are separate

- Teams use different customer segmentations or don't use them well to guide strategy or operations

- Key customer characteristics are missing, data is scattered throughout the organisation, and does not build on itself over time

- Difficult to track the performance of the business against these segmentations

- Internal and credit bureau data on its own is not sufficient to build effective data science models to attract, retain and grow customers.
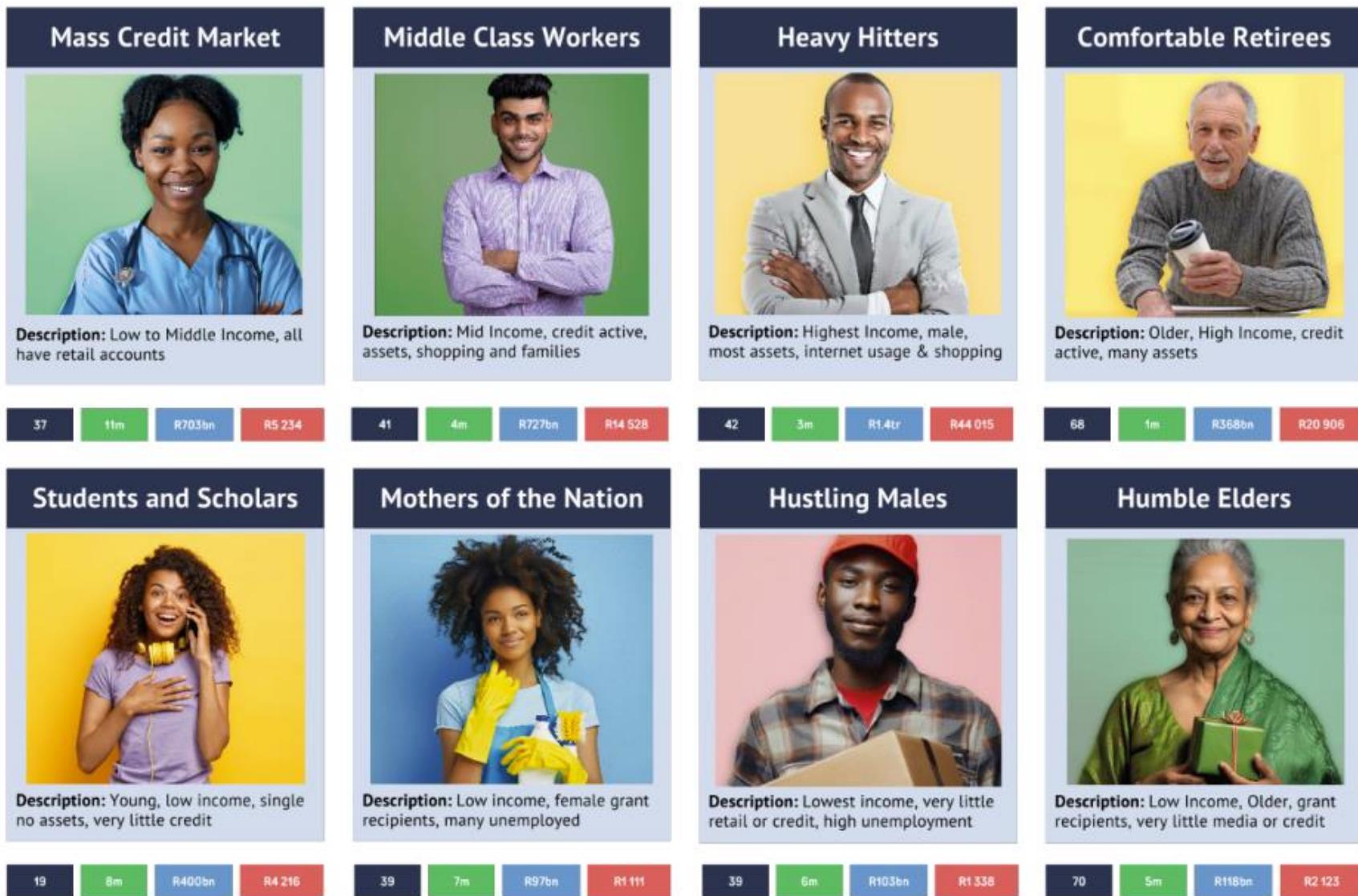
We created the Eighty20 National Segmentation (ENS) by triangulating data from a number of datasets, including credit bureau data, to build an enriched view of South African consumers.

The Solution

Social Media Usage
LSM / SEM
Where you shop

Size of Home Loan
Overdue balance on Credit Card
Number of Retail Accounts

Size of Home Loan AND Social Media Usage
Credit Score, AND Malls visited

Observed vs Expected % Facebook Users
Size and colour indicate number of observations

Observed vs Adjusted % Facebook Users
Size and colour indicate number of observations

Mothers of the Nation

Heavy Hitters

Humble Elders

Middle Class Workers

- We joined multiple datasets in order to get the best of each, used a selection of demographic "overlap" variables to summarise the data in each dataset individually, and then joined the summaries from each dataset together.

- This created 1 500 micro-segments used to profile all South Africa adults, providing insight into customers' digital, psychographic, demographic and credit characteristics

- These 'overlap' variables are strongly predictive of other attributes of individuals

- The ENS uses statistical methods to create customer segments enabling bespoke sector or company-specific segmentations to be created

- The ENS can be mapped geo-spatially, giving a suburb view of a client's customers and segments
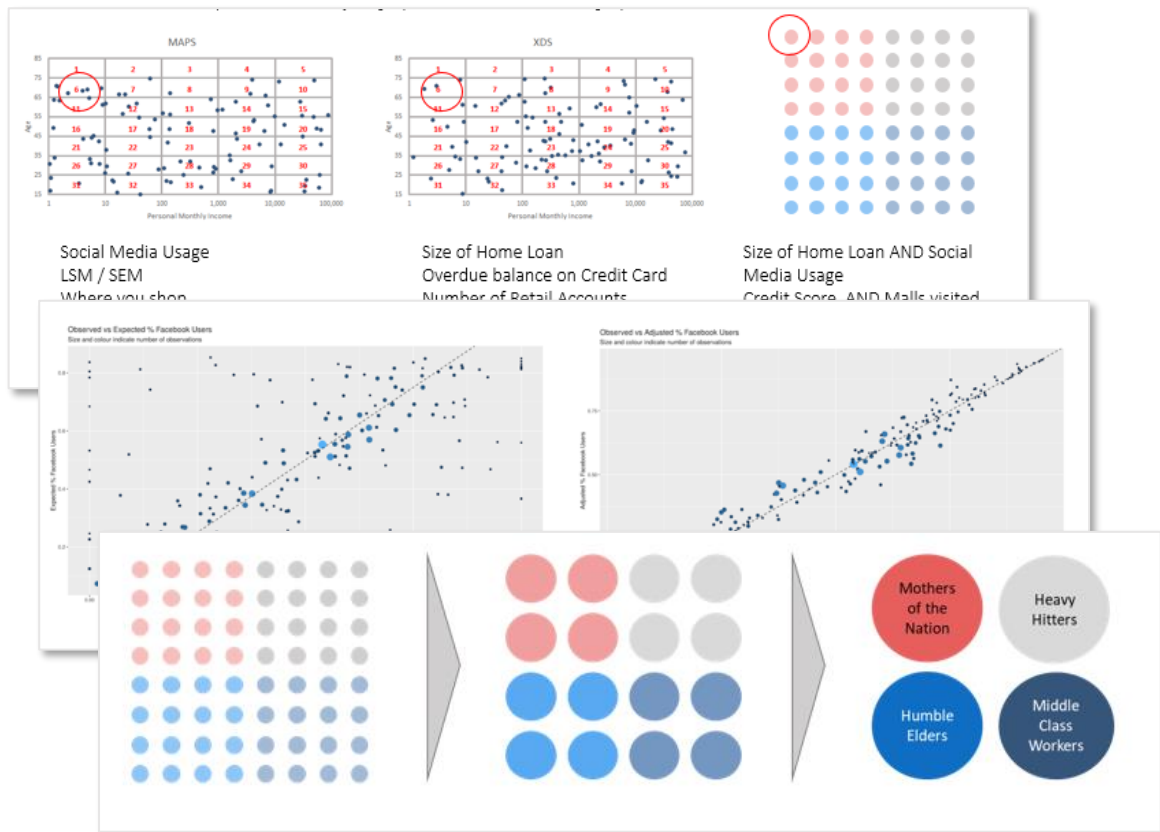
We then segmented the ~46m adult South Africans into 8 Segments and 46 Sub-segments including variables ranging from traditional financial affluency and demographic datapoints to imputed variables including household size & composition, retail and internet behaviour, digital adoption, media consumption, interests, hobbies and psychographics.

EIGHTY20

Mass Credit Market

Description: Low to Middle Income, all have retail accounts

| 37 | 11m | R703bn | R5 234 |

Middle Class Workers

Description: Mid Income, credit active, assets, shopping and families

| 41 | 4m | R727bn | R14 528 |

Heavy Hitters

Description: Highest Income, male, most assets, internet usage & shopping

| 42 | 3m | R1.4tr | R44 015 |

Comfortable Retirees

Description: Older, High Income, credit active, many assets

| 68 | 1m | R368bn | R20 906 |

Students and Scholars

Description: Young, low income, single no assets, very little credit

| 19 | 8m | R400bn | R4 216 |

Mothers of the Nation

Description: Low income, female grant recipients, many unemployed

| 39 | 7m | R97bn | R1 111 |

Hustling Males

Description: Lowest income, very little retail or credit, high unemployment

| 39 | 6m | R103bn | R1 338 |

Humble Elders

Description: Low Income, Older, grant recipients, very little media or credit

| 70 | 5m | R118bn | R2 123 |

| Sub-Segments | Segment Size | Spending Power | Ave. Income |

Note: Spending power is the total gross annual income for a given segment

The ENS can also be linked to a company's individual customers using on SA ID, or mobile number, enabling users to see their customer penetration into the relevant segments.

Existing Customer Data

We use key identifying customer data, in a secure, responsible and POPIA-compliant manner*, to match customers to the Eighty20 National Segmentation.

RSA ID

Cell Phone No.

OR

Internal profiling
- Age
- Gender
- Etc.

* Customer consent is required

Enriched View of Customer

Busi

- 35 years old
- Female
- Married, living in Claremont
- R 23 000 per month personal income
- Two Children
- Marketing Manager

Eighty20 National Segmentation

We append over 1,000 profiling variables to each customer, broadening understanding of your customers and their behaviour.

- Demographic variables
- Retail behaviour
- Financial and credit behaviour
- Digital adoption
- Media consumption
- Interests and propensities

Mass Credit Market

Mass Credit Market

Average Age- 37

54% Female

Main Lifestage - Single Parents

39% Work full time

LSM 5 to 7 / SEM 2 to 7

11m in segment

Ave. Personal Income R5k

Ave. Household Income R10k

Total Annual Spend R703bn

Credit (% of credit active)

14% Credit Card

1% Mortgage

80% Store Card

Family Life

42% Married

1.1 Children in household

4.4 People in household

Internet

55% Uses internet daily

79% smartphones

6% on contract

Shopping

6% Shopped online P4W

80% Banked

22% Own a Computer

Key Insights

- Largest segment, most are single mothers
- Wide spread of LSMs/SEMs
- Nearly a quarter receive government grants
- Have an average of two open loans
- Almost 60% of this segment are single

Source: ENS 2023Q4

Middle Class Worker

Middle Class Worker

Average Age- 41

44% Female

Main Lifestage – Young Families

62% Work full time

LSM 7 to 9 / SEM 7 to 9

4m in segment

Ave. Personal Income R15k

Ave. Household Income R23k

Total Annual Spend R727bn

Credit (% of credit active)

58%   Credit Card

20%   Mortgage

17%   VAF

Family Life

53%   Married

0.9   Children in household

4.0   People in household

Internet

67% Uses internet daily

87% smartphones

15% on contract

Shopping

12%   Shopped online P4W

86%   Banked

50%   Own a Computer

Key Insights

- Nearly 20% self employed
- Trying to live a middle-class lifestyle with home and car loans and education costs
- Many double income families with large debt instalments
- They hold 30% of all home and VAF loans

Source: ENS 2023Q4

Heavy Hitters

Heavy Hitters

Average Age- 42

41% Female

Main Lifestage – Young Families

70% Work full time

LSM 10 / SEM 10

3m in segment

Ave. Personal Income R44k

Ave. Household Income R60k

Total Annual Spend R1.5trn

Credit (% of credit active)

81%	Credit Card
56%	Mortgage
53%	VAF

Family Life

74%	Married
0.7	Children in household
3.7	People in household

Internet

78%	Uses internet daily
91% smartphones	
34% on contract	

Shopping

25%	Shopped online P4W
90%	Banked
83%	Own a Computer

Key Insights

- Nearly a quarter work for themselves
- Wealthiest South Africans, with the most assets of all segments
- 2/3rds are families
- Diverse group in terms of income, with some very high earners

Source: ENS 2023Q4

Comfortable Retirees

Comfortable Retirees

Average Age- 68

50% Female

Main Lifestage – Mature Singles

63% Retired

LSM 10 / SEM 9 to 10

1m in segment

Ave. Personal Income R21k

Ave. Household Income R32k

Total Annual Spend R368bn

Credit (% of credit active)

72% Credit Card

24% Mortgage

12% VAF

Family Life

61% Married

0.3 Children in household

3.3 People in household

Internet

37% Uses internet daily

74% smartphones

20% on contract

Shopping

6% Shopped online P4W

77% Banked

59% Own a Computer

Key Insights

- Nearly 20% still full time employed
- Older, high-income credit active and asset rich ex professionals and middle- class consumers
- Two thirds of them are retired, and are downsizing their lives

Source: ENS 2023Q4

Thank You

Sign up on our website for our daily Fact-a-Day

✉ info@eighty20.co.za
☎ (021) 460 0440

🐦 @Eighty20coza
🖥 www.eighty20.co.za

📍 Upper Eastside
31 Pickwick Road
Woodstock
Cape Town